

ATTACHMENT 4.19-B

Attachment 4.19-B describes the methods and standards used for the payment of each of these services except for inpatient hospital, skilled nursing and intermediate care facility services that are described in other attachments.

The Agency uses the following reimbursement principles in paying for each type of medical service. However, in no case shall the provider charge Medicaid for any service more than the provider's usual and customary charge to the public. Medicaid will not pay more than the billed charge. Also, Medicaid chooses to apply the cost limits established under the Medicare principles of reimbursement. An across the board increase by 60% over the 1984 rate will apply to the following service providers only:

A. Physician Services including EPSDT and Family Planning Services

Effective July 1, 1991, Medicaid uses the 1970 HRVS multiplied by conversion factor 1.60 as the Maximum Allowable Charge \*(MAC) for internal medicine services and uses the 1970 HRVS multiplied by conversion factor 16 as the MAC for inpatient surgery and anesthesia. For any surgical procedure done on an outpatient basis, the MAC will be the 1970 HRVS

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multiplied by conversion factor 17.6. For surgical procedure done at private physician's clinic, the MAC will be 1970 HRVS multiplied by conversion factor 19.2.

B. Other Practitioner Services

Effective July 1, 1991, Medicaid uses the 1970 hrvs multiplied by conversion factor 1.60 as the MAC for optometrists' services.

C. Clinic Services

Medicaid uses the same reimbursement mechanism in paying clinic services and physician services. (See Item A)

D. Laboratory Services (provided by independent laboratories)

Payment for each laboratory service (off-island and on-island) will be the lowest of the bill charges or the fee schedule amount established by Medicare or the 1970 HRVS multiplied by conversion factor .69.

E. X-Ray Services (provided by independent X-Ray Units)

Medicaid uses the 1970 HRVS multiplied by conversion factor 6.40 as the MAC for X-Ray services.

F. Drugs

Medicaid implements the drug formulary which includes the name of drugs covered by Medicaid, the strength, the MAC and maximum and minimum allowable quantity effective July 1, 1991. The MAC is based on the lowest updated Average Wholesale price on the Red/Blue Book and/or Medispan, plus a reasonable dispensing fee of \$4.40 which is 60% more than its previous years' dispensing fee of \$2.75.

If the pharmacist has in his inventory drugs with ingredient costs less than the MAC of acceptable quantity, he is required to charge Medicaid at the lower cost.

(\*MAC as used by Guam means the upper limit payable for any service under Medicaid.)

In case of HHS/MAC drugs, Guam uses the rate set by the Secretary of HHS.

G. Eyeglasses

Single vision eyeglasses are not to exceed eighty dollars (\$80.00) including lens and frame. No other eyeglasses are covered by Medicaid.

H. Dental Services

Medicaid pays fee for service charge based on the established MAC of 1984 multiplied by 60%.

I. Medical Supplies and Equipments

Medicaid pays fee for service charge.

J. Hearing Aids

- Medicaid pays fee for service charge.

K. Ancillary services provided by GMH Outpatient Department

Ancillary services including operating room, laboratory, x-ray, physical, occupational and inhalation therapy; renal dialysis; etc., are reimbursed on negotiated rates which do not exceed the Medicare interim rates.

L. Home Health Services

Medicaid pays Home Health services on negotiated rates which shall not exceed the Medicare interim rates for the same service.

All providers are required to submit claims to Medicaid within a year after the date of service. Medicare-Medicaid cross-over claims are exempted from this requirement; however, the provider must submit the claim to Medicaid within sixty (60) days after he receives notice of the disposition of the Medicare claim in order to receive Medicaid payment.

Effective October 1982, Medicaid will pay the full amount of deductible and co-insurance for recipients who have Medicare coverage provided the services charged are covered under the Guam Medicaid State Plan.